

AGRICULTURE, TRADE AND CONSUMER PROTECTION

Budget Summary						FTE Position Summary				
Fund	2012-13 Adjusted Base	Request		2013-15 Change Over Base Year Doubled		2012-13	Request		2014-15 Over 2012-13	
		2013-14	2014-15	Amount	%		2013-14	2014-15	Number	%
GPR	\$28,831,000	\$26,392,400	\$26,409,800	-\$4,859,800	- 8.4%	211.00	211.00	211.00	0.00	0.0%
FED	21,188,800	14,911,900	14,891,000	- 12,574,700	- 29.7	88.12	87.12	87.12	- 1.00	- 1.1
PR	23,200,400	22,704,500	22,715,500	- 980,800	- 2.1	198.47	199.47	199.47	1.00	0.5
SEG	30,553,400	35,099,400	35,122,700	9,115,300	14.9	97.30	139.80	139.80	42.50	43.7
TOTAL	\$103,773,600	\$99,108,200	\$99,139,000	-\$9,300,000	- 4.5%	594.89	637.39	637.39	42.50	7.1%
BR		\$7,000,000								

Major Request Items

1. STANDARD BUDGET ADJUSTMENTS

Request the following adjustments to the agency base: (a) -\$2,656,200 annually for full funding of salary and fringe benefits for continuing positions [-\$351,900 GPR, -\$1,406,100 FED, -\$793,400 PR, and -\$104,800 SEG annually]; (b) -\$351,000 annually as a staff turnover reduction [-\$267,000 GPR and -\$84,000 PR annually]; (c) -\$118,000 FED in 2013-14 and -\$148,700 FED in 2014-15 with -2.0 positions for removal of noncontinuing elements from the agency base; (d) \$113,400 in 2013-14 and \$147,100 in 2014-15 for position reclassifications and semi-automatic pay progressions [\$2,200 GPR annually, \$8,000 FED in 2013-14 and \$11,200 FED in 2014-15, \$84,400 PR in 2013-14 and \$105,400 PR in 2014-15, and \$18,800 SEG in 2013-14 and \$28,300 SEG in 2014-15]; and (e) -\$118,500 in 2013-14 and -\$90,700 in 2014-15 for full funding of lease costs and directed moves [-\$91,100 GPR in 2013-14 and -\$73,700 GPR in 2014-15, -\$104,300 FED in 2013-14 and -\$97,700 FED in 2014-15, \$34,400 PR in 2013-14 and \$24,400 PR in 2014-15, and \$42,500 SEG in 2013-14 and \$56,300 SEG in 2014-15].

	Funding	Positions
GPR	-\$1,398,200	0.00
FED	- 3,261,700	- 2.00
PR	- 1,506,200	0.00
SEG	<u>- 63,700</u>	<u>0.00</u>
Total	-\$6,229,800	- 2.00

2. GPR BASE REDUCTIONS

GPR	-\$3,461,600
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Request reductions of \$1,730,800 GPR annually as follows: (a) -\$211,200 annually for financial assistance for testing for Johnne's disease, a bacterial gastrointestinal infection affecting ruminant animals; (b) -\$321,000 annually for agricultural development and diversification (ADD) grants; (c) -\$200,000 for Buy Local, Buy Wisconsin grants; (d) -\$182,700 beginning in 2014-15 for grants to Dane County for assistance with debt service payments on the Dane

County exposition center; and (e) -\$998,600 in 2013-14 and -\$815,900 beginning in 2014-15 for grants to counties for land and water conservation staffing.

Under the request, the appropriations for Johne's disease testing, ADD grants and Buy Local, Buy Wisconsin grants would have no funding in the 2013-15 biennium, as well as no base funding for the 2015-17 biennium. Grants for the Dane County exposition center, which pay a portion of debt service on a 1995 facilities expansion primarily for hosting the World Dairy Expo, would have funding eliminated beginning in 2014-15; this complies with a 2005 Act 25 provision that sunsets these assistance payments on June 30, 2014. Grants from GPR for county land and water conservation staff would be funded at \$2,844,500 in 2013-14 and at \$3,027,200 beginning in 2014-15.

3. LIVESTOCK PREMISES REGISTRATION PROGRAM FUNDING

Request to continue base-level funding of \$250,000 GPR annually for the livestock premises registration program. The statutes require that persons keeping most types of livestock in the state must register any premises that house the animals. This is intended primarily to assist with responding to outbreaks of disease, should they occur. 2011 Act 278 provided \$250,000 GPR in 2012-13 with 1.0 GPR position for program administration, which was intended to partially replace expiring federal funding that had previously supported program costs. To offset the act's fiscal effect to the state general fund, Act 278 also transferred \$250,000 working lands SEG to the general fund in 2012-13 on a one-time basis. The act also required DATCP to propose in its 2013-15 agency request a means for funding the program in future biennia. This request is intended to fulfill the Act 278 requirement.

DATCP has used the 2012-13 funding to continue a contract with the Wisconsin Livestock Identification Consortium (WLIC) for administering the program. The position has not been filled. DATCP expects any funding in the 2013-15 biennium would continue to fund services contracted through WLIC.

4. AGRICULTURAL CHEMICAL CLEANUP PROGRAM – FEE SURCHARGE REDUCTIONS AND FERTILIZER RESEARCH GRANTS

SEG-REV	- \$660,000
SEG	\$600,000

Request a 20% reduction in yearly agricultural chemical fee surcharges deposited to the segregated agricultural chemical cleanup program (ACCP) fund. The ACCP receives surcharges on fees assessed on the production and sale of agricultural chemicals, such as pesticides and fertilizers. The fund then reimburses a portion of eligible cleanup costs following spills at certain agricultural sites. The fee surcharge reductions are intended to be commensurate with lower ACCP SEG expenditures for cleanups of agricultural chemical spills, which DATCP anticipates in the future.

The June 30, 2013, balance of the ACCP fund is estimated at approximately \$1.2 million. The table below shows proposed changes in fee levels, as well as the 2011-12 revenues for each category. The fiscal effect of most of the proposed fee changes would be expected to first occur

in the 2013-14 fiscal year. The tonnage surcharge on fertilizer sales would be expected to take effect in 2015-16 under the effective date requested by DATCP. Based on 2011-12 revenue levels, the changes in fee surcharges would decrease ACCP fund revenues by perhaps \$330,000 beginning in 2013-14 and by perhaps an additional \$145,000 beginning in 2015-16.

**Agricultural Chemical Cleanup Program (ACCP)
Fee Surcharge Changes**

	Current Fee	Proposed Fee	2011-12 Revenue
Fertilizer License	\$14	\$11.20	\$6,800
Fertilizer Tonnage	44¢/ton	35¢/ton	720,900
Non-Household Pesticides			
Annual Sales under \$25,000	\$3.50	\$2.80	14,600
Annual Sales \$25,000 - \$74,999	\$120	\$96	38,500
Annual Sales \$75,000 and Over	0.75%	0.60%	1,398,500
Pesticide Dealer - Restricted Use	\$28	\$22.40	10,100
Pesticide Application - Business	\$38	\$30.40	80,000
Pesticide Application - Individual	\$14	\$11.20	<u>103,300</u>
Total			\$2,372,700

Additionally, request statutory changes providing any ACCP fund balances in excess of \$300,000 at the close of each fiscal year are to be transferred to the segregated agrichemical management (ACM) fund. Further, request creation of a biennial ACM SEG appropriation to fund grants for research related to groundwater and fertilizer, and request funding of \$300,000 ACM SEG each year. Grants would be supported initially through annual transfers of excess ACCP balances, and are proposed to be split approximately evenly each year between fertilizer- and groundwater-related projects. Fertilizer-related research proposals would be selected through the Fertilizer Research Council, which is attached to DATCP and currently recommends research projects in the University of Wisconsin System to be funded by tonnage fees collected on fertilizer and soil and plant additives sold or distributed in the state. Groundwater-related research proposals would be solicited and selected through the existing Groundwater Coordinating Council (GCC), which is attached to the Department of Natural Resources and is responsible under current law for coordinating state agencies' nonregulatory activities related to groundwater, including groundwater monitoring, public information efforts, research, and agency budgeting for groundwater programs.

5. AGRICHEMICAL MANAGEMENT APPROPRIATION CHANGES SEG - \$751,000

Request repeal of the annual agrichemical management (ACM) SEG appropriation for grants under the Grazing Lands Conservation Initiative (GLCI). Funding would be reduced by \$375,500 ACM SEG annually. Further, request transferring SEG funding for the Discovery Farms program in the UW System from the agricultural chemical cleanup program (ACCP) fund

to the ACM fund.

GLCI grants in recent years have been funded by ACM SEG and federal funds. The Discovery Farms program has received ACCP SEG since 2007-08, and the UW System request includes base-level funding of \$248,400 SEG annually in 2013-15 for the Discovery Farms program.

6. SOIL AND WATER RESOURCE MANAGEMENT BONDING AUTHORITY

BR	\$7,000,000
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Request \$7 million in bonding authority for cost-sharing grants in the soil and water resource management (SWRM) program. SWRM cost-sharing grants funded by bond revenues support landowner installation of structural best management practices at agricultural sites, such as those intended to reduce soil erosion from agricultural lands and to provide for manure storage and containment. DATCP has been authorized \$7 million in new bonding authority in each biennium beginning in 2007-09, and the Department typically provides \$3.5 million per year for grants to landowners.

7. TRANSFER TANK AND PETROLEUM TESTING PROGRAM FROM SAFETY AND PROFESSIONAL SERVICES

	Funding	Positions
FED	\$1,251,000	2.00
SEG	<u>9,330,000</u>	<u>42.50</u>
Total	\$10,581,000	44.50

Request the transfer of the tank and petroleum testing program from the Department of Safety and Professional Services (DPS) to DATCP, including: (a) \$4,665,000 petroleum inspection SEG annually with 42.5 positions; and (b) \$1,251,000 FED annually with 2.0 positions. Under current law, DPS is responsible for inspection of petroleum products and petroleum storage tanks, including those at retail gasoline stations. DATCP is responsible for enforcing state laws regarding weights and measures, including the proper delivery of gasoline from retail pumps. The transfer is intended to centralize petroleum- and gasoline-related inspections in one agency and is jointly recommended by DATCP and DPS.

8. FEDERAL FUNDING RE-ESTIMATES

FED	- \$10,400,000
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Request the following reductions in expenditure authority for FED appropriations, based on lower expected revenues in 2013-15 (parentheses indicate specific programs for which federal funding has been or is expected to be reduced):

<u>Appropriation</u>	<u>Annual Reduction</u>
Animal health services (Chronic wasting disease, Johne's disease)	-\$800,000
Agricultural development (Dairy Business Initiative)	-900,000
Agricultural development (Grazing Lands Conservation Initiative)	-1,150,000
Agricultural resource management (Emerald ash borer)	-1,150,000
Central administrative services (Livestock premises registration)	<u>-1,200,000</u>
Total	-\$5,200,000